

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

**DIONNE REILLY & ASSOCIATES
4550 Cascade Rd., Ste. 202
Grand Rapids, MI 49546**

Enforcement Case No. 09-7058

**JEFF DIONNE, Founder
SCOTT REILLY, Founder**

Respondents.

_____ /

Issued and entered
on March 18 2009
by **Stephen R. Hilker**
Chief Deputy Commissioner

FINAL ORDER TO CEASE AND DESIST

I.

Factual and Procedural Background

Dionne Reilly & Associates (hereinafter "Respondent") is located at 4550 Cascade Rd., Ste. 202, Grand Rapids, MI 49546. Jeff Dionne and Scott Reilly established Dionne Reilly & Associates to offer commercial and residential lending services. In October 2008, OFIR was notified by a complaint that Respondent may be engaging in unlicensed mortgage activity. In November 2008, OFIR staff conducted an on-site investigation at the business' location and observed that Respondent was holding itself out to be in the business of residential mortgage lending and brokering to the general public. Respondent does not now, nor has ever held an active mortgage, broker, lender, or servicer license in Michigan to engage in residential mortgage loan transactions.

Respondent knew or had reason to know that the Mortgage Brokers, Lenders, and Servicers Licensing Act at MCL 445.1652, §2(1) makes it unlawful for a person to act as a mortgage broker, lender, or servicer without first obtaining a license under the Act. Pursuant to

MCL 445.1679, §29(2)(a) OFIR may assess a civil fine against the licensee, or a person who controls the licensee of not more than \$3,000.00 for each violation.

On or about February 27, 2009, OFIR served on Respondent an Order to Cease and Desist and Notice of Opportunity for Hearing. On or about March 16, 2009, Respondent, by and through its attorney, waived its right to a hearing and made a sufficient showing that it has ceased its unlawful activities.

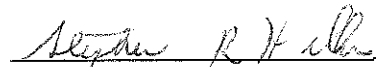
II. Order

THEREFORE, IT IS HEREBY ORDERED that Dionne Reilly & Associates, Jeff Dionne, Scott Reilly, joint and severally, shall pay to the State of Michigan a civil fine of one thousand dollars (\$1,000.00). Upon execution of this Order, OFIR will send Respondent an Invoice for the civil fine, which shall be due within 30 days of issuance of the Invoice.

IT IS FURTHER ORDERED that this is a final order and closes the matter.

IT IS SO ORDERED.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION



Stephen R. Hilker
Chief Deputy Commissioner

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4550 Cascade Rd., Ste. 202
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Respondents.

Issued and entered
on February 26, 2009
by Stephen R. Hilker
Chief Deputy Commissioner

ORDER TO CEASE AND DESIST

and

NOTICE OF OPPORTUNITY FOR HEARING

The Commissioner of the Office of Financial and Insurance Regulation ("OFIR"), pursuant to his statutory authority and responsibility to administer and enforce the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), MCL 445.1651 *et seq.*, hereby orders Dionne Reilly & Associates ("Respondent") to immediately **CEASE AND DESIST** from conducting business as a mortgage broker without first obtaining a license or registering under the MBLSLA. Respondent is also notified of an opportunity to request a hearing on this matter.

I.
FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Office of Financial and Insurance Regulation of the Michigan Department of Energy, Labor and Economic Growth, pursuant to the Michigan Administrative Procedures Act of 1969, MCL 24.201 *et. seq.*, (hereafter "MAPA"), and the Michigan Mortgage Broker, Lenders and Servicers Licensing Act, 1987 PA 173, as amended by 2008 PA 66, MCL 445.1651 *et. seq.*, (hereafter "MBLSLA", "Act"), and rules promulgated under the Act, say that, the staff of the Office of Financial and Insurance Regulation (hereafter "OFIR") alleges that the following facts are true and correct:

1. OFIR is responsible for the licensing and regulation of mortgage brokers, mortgage lenders, and mortgage servicers and their loan officers.
2. OFIR has received information regarding the business activities and conduct of Dionne Reilly & Associates that is in violation of the MBLSLA.
3. Dionne Reilly & Associates (hereafter "Dionne Reilly") is located at 4450 Cascade Rd., Ste. 202, Grand Rapids, MI 49546. Jeff Dionne and Scott Reilly established Dionne Reilly to offer commercial and residential lending services. Dionne Reilly is hereafter referred to as the Respondent.
4. In October 2008, OFIR was notified by complaint that Respondent may have engaged in violations of the Act.
5. In November 2008, OFIR staff conducted an on-site investigation at the business' location.
6. OFIR staff observed that Respondent hold itself out to be in the business of mortgage lending and brokering to the general public. Respondent has business cards and a website (www.dionnereilly.com), as well as telephone book and other print advertisements.
7. OFIR staff also reviewed six residential closed loan packages that were stored at the site.
8. Dionne Reilly & Associates does not have an active mortgage license in Michigan to engage in residential mortgage loan transactions.

9. The MBLSLA provides, in pertinent parts, that a person shall not act as a mortgage broker, mortgage lender, or mortgage servicer without first obtaining a license or registering under the act, or demonstrating that a person is otherwise exempt from the Act. §2.
10. Respondent knew or had reason to know that §2 of the Act makes it unlawful for a person to engage in business of mortgage lending and/or mortgage brokering in the State of Michigan unless licensed or registered under the Act, or exempt.
11. Respondent knew or had reason to know that §2 provides that any exemption or exception from licensing or registration under the Act is upon the person claiming it.

WHEREAS, after an investigation has been conducted pursuant to §13, and prior to holding the hearing under §18, the Commissioner may order a person to cease and desist from a violation of this act. Further, the Commissioner may in his discretion bring an action in circuit court to enjoin the act or practices and to enforce compliance with this act or any rule or order hereunder; and;

WHEREAS, Respondent failed to apply for licensure or registration under the MBLSLA; and

WHEREAS, Respondent advertised and held itself out to the general public as in the business of mortgage lending and/or mortgage brokering with print and Internet advertisements; and

WHEREAS, Respondent transacted business as a mortgage lender and/or mortgage broker; and

WHEREAS, MBLSLA defines mortgage broker to mean a person who, directly or indirectly, serves or offers to serve as an agent for a person in an attempt to obtain a mortgage; or, serves or offers to serve as an agent for a person who makes or offers to make mortgage loans, §1a; and,

WHEREAS, MBLSLA defines mortgage lender to mean a person who, directly or indirectly, makes or offers to make mortgage loans, §1a; and,

WHEREAS, MBLSLA provides, in pertinent part, that a person shall not act as a mortgage broker or mortgage lender without first obtaining a license or registering under the act, §2; and,

WHEREAS, Respondent does not have an active mortgage license in Michigan to engage in residential mortgage loan transactions; and,

WHEREAS, the Commissioner finds this Order necessary and appropriate in the public interest, for the protection of consumers, and consistent with the purposes fairly intended by the policy and provisions of the Act; and,

WHEREAS, the Commissioner retains the right to pursue further administrative action against Respondent should the Commissioner determine that such action is necessary and appropriate in the public interest, for the protection of consumers, and consistent with the purposes fairly intended by the policy and provisions of the Act; and

WHEREAS, based on the foregoing, OFIR staff recommends that the Commissioner find that Respondent, Dionne Reilly & Associates, has engaged in acts and practices that violate MCL 445.1652, §2.

II. **ORDER**

IT IS THEREFORE ORDERED, pursuant to the Michigan Mortgage Broker, Lenders and Servicers Licensing Act, 1987 PA 173, as amended by 2008 PA 66, §§16 and 29, that:

RESPONDENT, DIONNE REILLY & ASSOCIATES, shall immediately **CEASE AND DESIST** from conducting any business regulated by the MBLSLA.

Failure to comply with this Order may subject you to a criminal penalty of not more than \$15,000.00 or imprisonment of not more than one year, or both.

III.
NOTICE OF OPPORTUNITY FOR HEARING

Section 16(2) of the MBLSLA, MCL 445.1666(2), provides:

A person ordered to cease and desist shall be entitled to a hearing before the commissioner if a written request for a hearing is filed with the commissioner not more than 30 days after the effective date of the order. A hearing shall be conducted not more than 30 days after the effective date of the order. A hearing shall be conducted in accordance with the provisions of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

Should Respondent wish to request a hearing relating to the Chief Deputy Commissioner's Order to Cease and Desist, a hearing must be requested in writing within 30 days of the issuance of this Order. The request for a hearing must be addressed to:

Hearings Coordinator
Office of Financial and Insurance Regulation
Ottawa State Office Building, Third Floor
611 West Ottawa Street
Lansing, Michigan 48933

Please be advised that any statements made are voluntary and may be used in any proceeding that may be held. If a hearing is requested, Respondent has the right at its expense to legal representation at the hearing. A licensed attorney must represent Respondents that are corporations or limited liability companies.

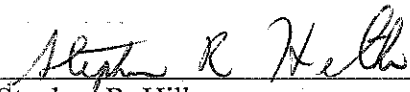
It is important to understand that any statements that you present in response to this Order may be used against you at a hearing. It is also important to understand that you have the right, at

your own expense, to have an attorney assist you at a hearing. A licensed attorney must represent Respondents that are corporations or limited liability companies.

The Commissioner retains the right to pursue further administrative action against the Respondent should the Administrator determine that such action is necessary and appropriate in the public interest, for the protection of consumers, and consistent with the purposes fairly intended by the policy and provisions of the Act.

Any other communication regarding this Order should be addressed to the Office of Financial and Insurance Regulation, Attention: Elizabeth V. Bolden, P.O. Box 30220, Lansing, Michigan 48909.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION



Stephen R. Hilker
Chief Deputy Commissioner